

U.S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

December 18, 2008

VIA FACSIMILE

The Honorable Sheila Bair
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Dear Chairman Bair:

The applications of Chrysler Financial Services ("Chrysler Financial") and Ford Motor Credit Company LLC ("Ford Motor Credit") for an industrial loan company (ILC) charter have been pending for some time. Chrysler Financial filed its ILC application in May 2005, while Ford Motor Credit first applied for an ILC charter in June of 2006 and resubmitted its application last February. I am writing to inquire as to the status of these long-pending applications.

As policymakers look for ways to stimulate the economy and blunt the harmful effects of a consumer-led recession, promoting the availability of commercial and consumer credit is vitally important. This is particularly true in the domestic auto industry, both for auto dealers financing their inventories and consumers financing their purchases. Auto company finance arms like Chrysler Financial and Ford Motor Credit play a crucial role in meeting the credit needs of both dealers and consumers.

As you know, several foreign automakers, including Toyota and BMW, already own and operate ILCs today, placing the domestic auto industry at a competitive disadvantage in meeting the credit needs of its dealers and customers. While it is important that the FDIC engage in a thorough safety-and-soundness review of the applications filed by Chrysler Financial and Ford Motor Credit, that review should not go on forever.

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Accordingly, I request that you provide me with a status report on the FDIC's consideration of these pending applications, including an estimate of when you expect to complete your review.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Spencer Bachus", written in a cursive style.

Spencer Bachus
Ranking Member

cc: The Honorable Henry M. Paulson, Jr.
The Honorable Nancy Pelosi
The Honorable John A. Boehner
The Honorable Steny H. Hoyer
The Honorable Barney Frank